

JUNE 27, 2013.

Hon. JOHN A. BOEHNER,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to notify you formally, pursuant to Rule VIII of the Rules of the House of Representatives, that I have received a subpoena, issued by the Superior Court of Clayton County, Georgia, requiring that I appear to testify in that court at the trial of a particular civil case.

After consultation with the Office of General Counsel, I have determined under Rule VIII that the subpoena (i) is not "a proper exercise of jurisdiction by the court," (ii) seeks information that is not "material and relevant," and/or (iii) is not "consistent with the privileges and rights of the House." Accordingly, I intend to move to quash the subpoena.

Sincerely,

CHANDRA HARRIS,
District Director for the Hon. David Scott.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 4 of rule I, the following enrolled bills were signed by Speaker pro tempore Thornberry on Friday, June 28, 2013:

H.R. 1151, to direct the Secretary of State to develop a strategy to obtain observer status for Taiwan at the triennial International Civil Aviation Organization Assembly, and for other purposes;

H.R. 324, to grant the Congressional Gold Medal, collectively, to the First Special Service Force, in recognition of its superior service during World War II;

H.R. 2383, to designate the new Interstate Route 70 bridge over the Mississippi River connecting St. Louis, Missouri, and southwestern Illinois as the "Stan Musial Veterans Memorial Bridge".

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until approximately 5:30 today.

Accordingly (at 2 o'clock and 14 minutes p.m.), the House stood in recess.

□ 1730

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. PETRI) at 5 o'clock and 30 minutes p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote incurs objection under clause 6 of rule XX.

Record votes on postponed questions will be taken later.

FINANCIAL COMPETITIVE ACT OF 2013

Mr. FINCHER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1341) to require the Financial Stability Oversight Council to conduct a study of the likely effects of the differences between the United States and other jurisdictions in implementing the derivatives credit valuation adjustment capital requirement, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1341

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Financial Competitive Act of 2013".

SEC. 2. STUDY OF IMPLEMENTATION OF BASEL III CAPITAL REQUIREMENTS RELATED TO DERIVATIVES EXPO- SURES.

(a) STUDY.—The Financial Stability Oversight Council shall conduct a study of the likely effects that differences between the United States and other jurisdictions in implementing the derivatives credit valuation adjustment (in this section referred to as "CVA") capital requirement would have on—

- (1) United States financial institutions that conduct derivatives transactions and participate in derivatives markets;
- (2) end users of derivatives; and
- (3) international derivatives markets.

(b) CONTENT.—The study required by subsection (a) shall include—

- (1) an assessment of—
 - (A) the extent to which there are differences in the approaches that the United States and other jurisdictions are taking regarding implementation of the CVA capital requirement, and the nature of the differences;

(B) the impact that the differences would have on—

- (i) United States financial institutions that conduct derivatives transactions and participate in derivatives markets, including their ability to serve end users of derivatives;

(ii) pricing and other costs of, and services available to, end users of derivatives in the United States and other jurisdictions; and

(iii) the competitiveness of United States financial institutions and United States derivatives markets, including the extent to which differences in the CVA capital requirement could shift derivatives business among jurisdictions; and

(C) the interaction between differing CVA capital requirements and margin rules; and

(2) recommendations regarding steps that the Congress and the Federal financial regulatory agencies that comprise the Financial Stability Oversight Council should take to—

(A) minimize any expected negative effects on United States financial institutions, derivatives markets, and end users[and];

(B) encourage greater international consistency in implementation of internationally agreed capital, liquidity, and other prudential standards[]; and

(C) ensure that the Financial Stability Oversight Council fulfills its statutory mandate to identify risks and respond to emerging threats to financial stability.

(c) REPORT.—No later than 90 days after the date of the enactment of this Act, the Financial Stability Oversight Council shall submit a written report containing the results of the study to the Chairman and ranking minority member of the Committees on Agriculture and Financial Services of the

House of Representatives, and the Chairman and ranking minority member of the Committees on Agriculture, Nutrition, and Forestry, and Banking, Housing, and Urban Affairs of the Senate.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Tennessee (Mr. FINCHER) and the gentlewoman from California (Ms. WATERS) each will control 20 minutes.

The Chair recognizes the gentleman from Tennessee.

GENERAL LEAVE

Mr. FINCHER. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and submit extraneous materials for the RECORD on H.R. 1341, as amended, currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. FINCHER. Mr. Speaker, I yield myself such time as I may consume.

I want to thank Chairman JEB HENSARLING, Chairman FRANK LUCAS, and Chairman SCOTT GARRETT for working with both Congressman DAVID SCOTT and me to bring H.R. 1341 to the floor for consideration today.

I am pleased that we are considering H.R. 1341, the Financial Competitive Act of 2013. Mr. SCOTT and I have worked in a bipartisan manner to move this measure forward to ensure America remains competitive in the global marketplace. We need folks around the world to know America is open for opportunity, advancement, and upward mobility. In this country, we promote opportunity, not unfair regulations that punish business and kill jobs here. I introduced the Financial Competitive Act with my friend Mr. SCOTT for one reason—to ensure the law of unintended consequences does not place America at a disadvantage globally.

Our bill simply requires the Financial Stability Oversight Council to conduct a study of the impacts implementing the credit valuation adjustment capital requirement, or CVA, will have on the U.S. consumers, end users, and U.S. financial institutions. This study is in response to the recent Basel 3 Accord, which is a global regulatory standard for capital requirements for banks.

Unfortunately, European Union Basel 3 regulators decided to exempt their own European banks from complying with certain provisions of Basel 3. Specifically, European regulators have decided to exempt transactions with sovereign pension funds and corporate counterparties, which are also exempt from clearing obligations from CVA-risk-weighted assets. This means European banks will not have to put up capital like American banks.

I have some serious questions about the impact the European exemption will have on U.S. financial institutions, consumers, and the larger U.S. economy. To me, this exemption will provide a significant financial and business advantage to European banks, European customers, and European end